

NOTE: Appearing first is the Full Board summary which is the last meeting of the day. The committees will follow in the order of which time they were conducted. The Dealer Board staff felt it would benefit our readers to have the last meeting of the day appear first on the website.

~ 1ST DRAFT ~

Meeting Summary Motor Vehicle Dealer Board Monday, September 9, 2002

Chairman Ab Quillian called the Dealer Board meeting to order at 2:50 p.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 14 members present. Present were members Vice-Chairman Steve Farmer, Tom Barton, Carlton Courter, Bobby Joe Dotson, Bruce Farrell, Pete Iaricci, Clyde King, Joel Lyles, Mike Martin, Karen Radley, Ted Robertson, Vince Sheehy, Leo Trenor (Absent: Larry Matthews, Al Lacy, Max Pearson, Rick Hunt and Chris Schroeder). Bruce Gould, Peggy Bailey, Debbie Allison, Vic Hernandez and Katherine Idrissi represented the Dealer Board. Jim Gilbertson, Tom Falat were present from the DMV. Rick Walton represented the Attorney General's Office. Alice Weedon acted as Recording Secretary.

Ab Quillian introduced the newest board member, Mr. Ted Robertson.

The July 15, 2002 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

STATUTORY COMMITTEE REPORTS:

Dealer Practices Committee:

Chairman Steve Farmer summarized discussions that were reviewed during the Committee Meeting.

Review and Action: Informal Fact-Finding Conference:

- **Lawrence E. Coffey and Small Time Auto Sales.** Chairman Steve Farmer summarized for the Board, the discussion held regarding Lawrence E. Coffey and Small Time Auto Sales. Based on that discussion, Steve Farmer made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Mr. Lawrence E. Coffey t/a Small Time Auto Sales for alleged violations of Va. Code §§ 46.2-1575 (2), failure to comply subsequent to receipt of a written warning from the Board or any willful failure to comply with any provision of the Dealer Act, (6) deceptive act or practice, (7) knowingly advertising something that you know is false or misleading, (12) allowing the use of dealer tags by an unauthorized individual and section 46.2-1550 misuse of dealer tags by allowing the use of dealer tags in conjunction with another business. Mr. Coffey received numerous warning letters, educational efforts and opportunities to come into compliance. Based on due consideration, and the hearing officer's recommendation, the Board believes that all licenses and certificates issued to Mr. Lawrence E. Coffey and Small Time Auto Sales should be revoked and based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Mr. Lawrence E. Coffey and Small Time Auto Sales. The Board hereby revokes all licenses and certificates issued to Lawrence E. Coffey and Small Time Auto Sales for violations of Va. Code §46.2-1575(2). The Board hereby assesses a civil penalty in the amount of \$1,000 for violation of Va.

Code §46.2-1575(2) and \$1,000 for violation of Va. Code §46.2-1575(7) for a total civil penalty of \$ 2,000 on Mr. Lawrence E. Coffey and Small Time Auto Sales.

Karen Radley seconded. All in favor: 13 (Barton, Courter, Farmer, Farrell, Iaricci, King, Lyles, Martin, Radley, Robertson, Sheehy, Trenor, Quillian). Opposed: 1 (Dotson). The motion passed.

- **Charles E. Falk, Sr. and Charlie Falk Auto Wholesale, Inc.** Issued tabled to the November meeting.
- **Maziar Bakhshi-Azar and Maz Corporation.** Chairman Steve Farmer summarized for the Board, the discussion held regarding Maziar Bakhshi-Azar and Maz Corporation. Based on that discussion, Steve Farmer made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Mr. Maziar Bakhshi-Azar t/a Maz Corporation for alleged violations of Va. Code §§46.2-1510, place of business 46.2-1516, supplemental sales locations 46.2-1550(A), use of dealer tags 46.2-1575(3) failure to have an established place of business, (6), having used deceptive acts or practices, (9) having been convicted of any criminal act involving the business of selling vehicles and (12) leasing, renting, lending, or otherwise allowing the use of a dealer's license plate by persons not specifically authorized under the law and based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Mr. Mr. Maziar Bakhshi-Azar t/a Maz Corporation. The Board hereby assesses a civil penalty in the amount of \$ 150 for violation of Va. Code §46.2-1575(9); \$1,000 for violation of Va. Code §46.2-1575(12) and \$1,000 for §§46.2-1575(3) and 46.2-1550 for a total civil penalty of \$2,150 on Mr. Mr. Maziar Bakhshi-Azar t/a Maz Corporation.

Mike Martin seconded. All in favor: 13 (Barton, Courter, Dotson, Farmer, Farrell, Iaricci, King, Lyles, Martin, Radley, Robertson, Trenor, Quillian). Opposed: 1 (Sheehy). The motion passed.

- **Sebghatullah Nassiri and Export Car Connection, Inc.** Chairman Steve Farmer summarized for the Board, the discussion held regarding Sebghatullah Nassiri and Export Car Connection. Based on that discussion, Steve Farmer made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Mr. Sebghatullah Nassiri t/a Export Car Connection, Inc. for alleged violations of Va. Code § 46.2-1575 (2), failure to comply subsequent to receipt of a written warning from the Board or any willful failure to comply with any provision of the Dealer Act, and §§ 46.2-1529, 46.2-1548 and 46.2-1559, related to record keeping requirements. Mr. Nassiri received numerous warning letters, educational efforts and opportunities to comply with the record keeping requirements. Based on due consideration, and the hearing officer's recommendation, the Board believes that all licenses and certificates issued to Mr. Sebghatullah Nassiri t/a Export Car Connection, Inc should be suspended and based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Mr. Sebghatullah Nassiri t/a Export Car Connection, Inc. The Board hereby suspends, for a period of 30 days, all licenses and certificates issued to Mr. Sebghatullah Nassiri t/a Export Car Connection, Inc for violations of Va. Code §46.2-1575(2). The Board hereby assesses a civil penalty in the amount of \$1,000 for violations of Va. Code §§46.2-1529, 46.2-1548 and 46.2-1559 for a total civil penalty of \$1,000 on Mr. Sebghatullah Nassiri t/a Export Car Connection, Inc

Clyde King seconded. All in favor: 13 (Barton, Courter, Dotson, Farmer, Farrell, Iaricci, King, Lyles, Martin, Radley, Robertson, Sheehy, Quillian). Opposed: 1 (Trenor). The motion passed.

- **Gerald E. Duncan and Duncan Chrysler, Plymouth, Dodge, Jeep.** Chairman Steve Farmer summarized for the Board, the discussion held regarding Gerald E. Duncan and Duncan Chrysler, Plymouth, Dodge, Jeep. Based on that discussion, Steve Farmer made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Mr. Gerald E. Duncan t/a Duncan Chrysler, Plymouth, Dodge, Jeep, for alleged violations of Va. Code §46.2-1537, compensating an individual, who is not licensed by the dealership, in the connection of the sale of a motor vehicle. Based on due consideration, and the report of a hearing officer the Board believes a civil penalty should be levied against Mr. Gerald E. Duncan t/a Duncan Chrysler, Plymouth, Dodge, Jeep. The Board hereby assess a civil penalty in the amount of \$3,000 on Gerald E. Duncan t/a Duncan Chrysler, Plymouth, Dodge, Jeep for 30 violations of Va. Code §46.2-1537.

Karen Radley seconded. The motion passed unanimously.

- **Curbstoning Report.** Jim Gilbertson reported that since the last Board meeting, DMV Special Agents and MVDB representatives have issued 60 curbstoner notices.

Mr. Gilbertson then gave his curbstoning report, outlining his activities, court cases and other actions related to curbstoning.

Franchise Law Committee:

Chairman Tom Barton summarized discussions that were reviewed during the Committee Meeting.

Licensing Committee:

Chairman Bruce Farrell summarized discussions that were reviewed during the Committee Meeting.

- **Scott Honaker, Salesperson.** Chairman Bruce Farrell summarized for the Board, the discussion held regarding Scott Honaker. Based on that discussion, Bruce Farrell made the following motion: Based on the report of an informal fact-finding conference as prepared by a hearing officer the executive director denied the renewal of the salespersons license issued to Mr. Scott Honaker under Va. Code 46.2-1575 (13), having been convicted of a felony. Mr. Honaker appealed the denial and requested a formal hearing. The Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning Mr. Scott Honaker for a violation of Va. Code §46.2-1575(13) having been convicted of a felony. Based on due consideration, and the report of the hearing officer, the Board believes that Mr. Scott Honaker's motor vehicle salesperson's license should be renewed. The Board hereby directs Dealer Board staff to renew/approve the issuance of a salesperson's license to Mr. Scott Honaker.

Steve Farmer seconded. The motion passed unanimously.

- **Wayne E. Gormus, Salesperson.** Chairman Bruce Farrell summarized for the Board, the discussion held regarding Wayne E. Gormus. Based on that discussion, Bruce Farrell made the following motion: Based on the evidence and a report of an informal fact-finding conference as prepared by a hearing officer, the executive director revoked all licenses and certificates issued by the Board to Mr. Wayne Gormus under Va. Code §46.2-1575(1), having made a material misstatement on and application, (9), having been convicted of any crime involving the business of selling motor vehicles, (13), having been convicted of a felony; and (16), having been convicted of odometer tampering or any related violation. Mr. Gormus appealed the denial and requested a formal hearing. The Board has reviewed and considered the facts and evidence and

the report of a formal hearing as prepared by the hearing officer concerning Mr. Wayne Gormus for violations of Va. Code §46.2-1575(1), (9) (13) and (16). Based on due consideration, and the report of the hearing officer, the Board believes that Mr. Wayne Gormus' motor vehicle salesperson's license should be revoked. The Board hereby revokes all licenses and certificates issued by the Board to Mr. Wayne Gormus for violation of Va. Code §§46.2-1575(1), (9) (13) and (16).

Leo Trenor seconded. The motion passed unanimously.

Advertising Committee:

Chairman Clyde King summarized discussions that were reviewed during the Committee Meeting.

Personnel Committee:

No meeting was conducted. There were no agenda items to discuss.

Finance Committee:

Chairman Joel Lyles summarized discussions that were reviewed during the Committee Meeting.

Transaction Recovery Fund Committee:

Chairman Mike Martin summarized discussions that were reviewed during the Committee Meeting.

- Chairman Martin summarized for the board, the discussion held regarding Cleveland A. Bassfield, Sr. and Capital Sport Car and R V Center and reported that the Committee voted to not accept the hearing officer's recommendation. Discussion followed and based on that discussion, Mike Martin made the following motion: Pursuant to Section 46.2-1527.1 et seq. of the Code of Virginia, which is known as the Motor Vehicle Transaction Recovery Fund ("Fund"), the Board has reviewed and considered claims submitted for payment from the Fund, and based on due consideration and recommendation of staff, the Board believes the following claim should be payable from the Fund. The Board hereby approves and reaffirms the following claims and payment amounts subject to compliance by the claimant with statutory requirements:

Cleveland A. Bassfield, Sr. and Capital Sport Car and R V Center	\$20,000.00
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Clyde King seconded. The motion passed unanimously.

OLD BUSINESS

Old Business From The Floor:

There was no old business from the floor.

NEW BUSINESS

New Business From The Floor:

- **Self Funding Agency.** Karen Radley indicated that it should be noted for the record that the Board Members feel that the Board's Special Fund should not be included in the budget cuts. Bobby Joe Dotson indicated that not only should it be included in the minutes, but that the Administration needs to be aware of this as well.

- **Ad Hoc Committee Meeting Results.** Mike Martin reported that at the August 28, 2002 Task Force Meeting, the following discussions had taken place:

Dealer Board Administrative Processes

- Mike Martin made a motion to revise the policy for retention of the audio tapes of past meeting tapes should be kept for 30 days after the summary has been approved, instead of the current 3 years. Karen Radley seconded. The motion passed unanimously. As tapes retained under the old policy reach the 3-year mark, they will be destroyed, and not sooner.
- Mike Martin made a motion to establish a policy for Board Members to add "New Business from the Floor" items to the agenda ten days in advance of the meeting, to allow staff sufficient time to conduct research. Clyde King seconded. The motion passed unanimously.
- Mike Martin made a motion to combine the Finance and Personnel Committees. Also, hold the Franchise Committee should meet only if the Committee or Board Chairman calls the meeting at least 10 days in advance of the Board or if an emergency exists. The Franchise report, currently prepared by DMV, will be included in the books, but no verbal presentation will be given; however a representative from DMV will be available to answer any questions at the Full Board Meeting. Lastly, to combine Dealer Practices and Licensing and call it "Dealer Practices and Licensing" and hold Licensing when action is needed to be taken. The Code calls for two separate meetings, so Legislation will be needed if this is successful. Leo Trenor seconded. The motion passed unanimously. For now, the two committees will meet, one after the other with no break in between.
- Advising Board Members between Board meetings through e-mail. No action required.
- Notebook Material: The hearing officer's report should be the first item under each tab. No action required.

Salesperson Licensing:

- It was suggested that if it was determined that an applicant had a criminal history, then a letter would be sent to the dealer informing them that there will be a delay in the process.
- Joel Lyles requested that DMV modify their website so that consumers can get emissions information via the VIN number of a specified vehicle.
- Leo Trenor suggested that a Legislative Committee be created for purposes of developing legislation for future years, rather than waiting to the last minute for suggestions.

The next meeting will be scheduled for November 12, 2002.

There being no further business to come before the Motor Vehicle Dealer Board, Chairman Quillian adjourned the meeting at 4:02 p.m.

Meeting Summary
Dealer Practices Committee
Monday, September 9, 2002

Chairman Steve Farmer called the Dealer Practices Committee meeting to order at 8:36 a.m. in Room 702 of the DMV Headquarters Building at 2300 W. Broad Street in Richmond. Present were members: Vince Sheehy, Clyde King, Mike Martin, Bobby Joe Dotson, Pete Iaricci (Absent: Larry Matthews, Chris Schroeder, Rick Hunt). Other members present: Leo Trenor, Bruce Farrell, Tom Barton, Ted Robertson, Joel Lyles and Karen Radley. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison, Vic Hernandez and Katherine Idrissi represented the Dealer Board. Steve Stupasky, Gail Morykon and Tom Falat were present from DMV. Rick Walton represented the Attorney General's Office.

PUBLIC COMMENT

Public Comment: Mr. T. J. Edlich of Williams Mullin. They currently represent Charlie Falk Auto Wholesale, Inc. and they would like for the Board to allow this issue to be presented at the November Board Meeting so that they may have some additional time to prepare for and to move towards resolution. Mr. Edlich agreed to waive the Board's required maximum time to act on the hearing office's recommendation.

The July 15, 2002 meeting summary was approved.

OLD BUSINESS

- **Update July Actions:** Peggy Bailey reported on the updates resulting from the July 15, 2002 meeting.

OLD BUSINESS FROM THE FLOOR

No old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

- **Charles D. Falk, Sr. and Charlie Falk's Auto Wholesale, Inc.** After the request of counsel for Charlie Falk, motion was made by Bobby Joe Dotson to continue this issue to the November Meeting. Clyde King seconded. The motion passed unanimously.

Mr. Coffey spoke on his behalf.

- **Lawrence E. Coffey and Small Time Auto Sales.** An informal fact-finding conference was conducted on February 19, 2002 referencing Lawrence E. Coffey and Small Time Auto Sales for the alleged violations of failing to comply with a written warning (VA Code Section 46.2-1575[2]), deceptive acts or practices (VA Code Section 46.2-1575[6]), untrue, misleading, or deceptive advertising relating to the conduct of the business for which the dealer is licensed or registered (VA Code Section 46.2-1575[7]), allow the use of dealer's license plate by unauthorized persons (VA Code Section 46.2-1575[12]) and use of assigned dealer plate in conjunction with another business (VA Code Section 46.2-1550[4]). Based on the testimony and evidence surrounding the case, the hearing officer found Lawrence E. Coffey and Small Time

Auto Sales in violation of VA Code Section 46.2-1575[2] and 46.2-1575[6]. Therefore the hearing officer recommended assessing a civil penalty of \$2,000 (\$1,000 for 46.2-1575[2] and \$1,000 for 46.2-1576[6]) and to revoke any and all licenses.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Pete Iaricci to accept the hearing officer's recommendation. Clyde King seconded. All in favor: 5 (Farmer, Sheehy, King, Martin, Iaricci). Opposed: 1 (Dotson). The motion passed.

- **Maziar Bakhshi-Azar and Maz Corporation.** An informal fact-finding conference was conducted on July 2, 2002 referencing Maziar Bakhshi-Azar and Maz Corporation for the alleged violations of failing to having a supplemental sales location (VA Code Section 46.2-1516), permitting improper use of dealer tags by its salespersons (VA Code Section 46.2-1550[A]), vehicles being used in conjunction with any other business (VA Code Section 46.2-1550[A4]), failure to have an established place of business as defined in Code Section 46.2-1510 (VA Code Section 46.2-1575(3), having used deceptive act or practices (VA Code Section 46.2-1575[6]), having been convicted of any criminal act involving the business of selling vehicles (VA Code Section 46.2-1575[9]) and leasing, renting, lending, or otherwise allowing the use of a dealer's license plate by persons not specifically authorized (VA Code Section 46.2-1575[12]). Based on the testimony and evidence surrounding the case, the hearing officer found Maziar Bakhshi-Azar and Maz Corporation in violation of VA Code Section 46.2-1550(A) failing to monitor and control the use of dealer tags on a motor vehicle listed in its inventory and assesses a civil penalty of \$200, violation of VA Code Section 46.2-1575(9) having been convicted of violating VA Code 46.2-1550.2, failing to maintain proper employment records for a salesperson allowed to use dealer and assesses a civil penalty of \$150 and violation of VA Code Section 46.2-1516 for allowing the display of a car in its inventory for sale from an unlicensed location and assesses a violation of \$200. Total civil penalty of \$550.00.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Steve Farmer to accept the hearing officer's recommendation. Clyde King seconded.

Substitute motion was made by Pete Iaricci to access a civil penalty of \$2,150.00 (\$1,000 for §46.2-1550(A), \$150.00 for §46.2-1550.2 and \$1,000 for §46.2-1516). Mike Martin seconded. All in favor: 5 (Farmer, King, Dotson, Martin, Iaricci). Opposed: 1 (Sheehy). The motion passed.

- **Haymarket Issue.** Mike Martin indicated that the Haymarket area needs to be looked into and a report be presented at the November meeting.
- **Sebghatullah Nassiri and Export Car Connection, Inc.** An informal fact-finding conference was conducted on May 2, 2002 referencing Mr. Sebghatullah Nassiri and Export Car Connection for the alleged violation of VA Code Section 46.2-1529, 1548 and 1559 (record keeping requirements) and also Mr. Nassiri's alleged failure to comply with written warnings from the Board, VA Code Section 46.2-1575(2) and 46.2-1507. Based on the testimony and evidence surrounding the case, the hearing officer found Mr. Nassiri and Export Car Connection, Inc. in violation of VA Code Sections 46.2-1529 and 46.2-1548, both of which articulate requirements for recording keeping and recommended that Mr. Nassiri's salesperson's and dealer's licenses be suspended for a period of thirty days with a follow-up to insure Mr. Nasiri is in compliance and to assess a civil penalty of \$1,000 for the failure to comply with written warnings from the Board.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Mike Martin to accept the hearing officer's recommendation and impose a 30 day suspension of all licenses. Vince Sheehy seconded. The motion passed unanimously.

- **Gerald E. Duncan and Duncan Chrysler, Plymouth, Dodge, Jeep.** An informal fact-finding conference was conducted on May 2, 2002 referencing Mr. Gerald E. Duncan and Duncan Chrysler, Plymouth, Dodge, Jeep for the alleged violation of VA Code Section 46.2-1537, allowing an individual to sell cars without being properly licensed. Based on the testimony and evidence surrounding the case, the hearing officer found Mr. Duncan and Duncan Chrysler, Plymouth, Dodge, Jeep in violation of VA Code Section 46.2-1537, by allowing an individual to sell vehicles from the dealership without a salesperson's license; however, it was recommended that the Board impose no civil penalty or take any action against the dealership.

After some discussion concerning the seriousness of the violation; the responsibility of dealers and past actions of the Board on similar cases and review of the information provided to the Committee in their notebooks, a motion was made by Vince Sheehy to not accept the hearing officer's decision and assess a civil penalty of \$3,000.00 (\$100 civil penalty per sale=30 sales total). Clyde King seconded. The motion passed unanimously. It was the position of the Committee that dealers must be held responsible for ensuring that all salespersons are licensed. In this case, the salesperson application was not even submitted until after the individual sold 25 cars in over two months time. The civil penalty assessed is consistent with past actions of the Board.

- **Variance Requests (Dealer Hours and Storage of Dealer Records).** Bruce Gould indicated that there were two requests for dealerships to store records away from the dealership's location. Both were granted.

NEW BUSINESS FROM THE FLOOR

No new business from the floor.

The next meeting was scheduled for November 12, 2002.

The meeting adjourned at 9:57 a.m.

Meeting Summary
Franchise Law Committee
Monday, September 9, 2002

Chairman Tom Barton called the Franchise Law Committee meeting to order at 10:07 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were members Bobby Joe Dotson, Steve Farmer (Absent: Rick Hunt, Larry Matthews, Max Pearson). Other Board members present: Ted Robertson, Vince Sheehy, Leo Trenor, Karen Radley, Clyde King, Mike Martin, Bruce Farrell, Joel Lyles. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison, Katherine Idrissi and Vic Hernandez represented the Dealer Board. Steve Stupasky and Tom Falat represented DMV. Rick Walton represented the Attorney General's Office.

PUBLIC COMMENT

There was no public comment.

The July 15, 2002 meeting summary was approved.

OLD BUSINESS

- **Franchise Hearings.** Steve Stupasky gave a brief overview of the inactive and active franchise hearings.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next committee meeting was scheduled for November 12, 2002.

The meeting adjourned at 10:11 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, September 9, 2002

Chairman Bruce Farrell called the Dealer Licensing Committee meeting to order at 10:17 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were members Mike Martin, Tom Barton, Leo Trenor, Vince Sheehy, Joel Lyles, Steve Farmer (Absent: Larry Matthews). Other members present: Ted Robertson, Clyde King, Karen Radley, Bobby Joe Dotson, Pete Iaricci. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison, Katherine Idrissi and Vic Hernandez represented the Dealer Board. Gail Morykon, Tom Falat and Steve Stupasky represented DMV. Rick Walton represented the Attorney General's Office.

PUBLIC COMMENT:

There was no public comment.

The July 15, 2002 meeting summary was approved.

OLD BUSINESS

Update: July Meeting. Bruce Farrell reported on the updates from actions taken at the July 15, 2002 meeting.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Formal Hearings:

- **Scott Honaker, Salesperson.** A formal hearing was conducted on June 18, 2002 referencing Mr. Scott Honaker and the refusal to renew his salesperson's license for the alleged violation of VA Code Section 46.2-1575(13), having been convicted of a felony. In October of 2001, Mr. Honaker appealed the board's decision and requested an informal fact-finding conference, which was conducted on December 19, 2001, in which Mr. Honaker did not appear. The hearing officer from that conference found him in violation and recommended denial of his license. Mr. Honaker again appealed the decision and requested a formal hearing, in which he did appear. Based on the testimony and evidence surrounding the case, the hearing officer recommended that the Board renew Mr. Honaker's salesperson's license.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Leo Trenor to accept the hearing officer's recommendation. Mike Martin seconded. All in favor: 6 (Farrell, Martin, Trenor, Sheehy, Lyles, Farmer). Opposed: 1 (Barton). The motion passed.

- **Wayne E. Gormus, Salesperson.** A formal hearing was conducted on May 23, 2002 referencing Mr. Wayne E. Gormus and the refusal to renew his salesperson's license for the alleged violations of VA Code Section 46.2-1575(1) having made a material misstatement or omission in an application for a license renewal; (9) having been convicted of any criminal act involving the business of selling vehicles; (13) having been convicted of a felony; and (16)

having been convicted of odometer tampering or any related violation. Based on the testimony and evidence surrounding the case, the hearing officer found Mr. Gormus in violation of VA Code Section 46.2-1575(13) and recommended a 60 day suspension of his license.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Tom Barton to revoke Mr. Gormus' license. Mike Martin seconded. The motion passed unanimously. The Committee believed that Mr. Gormus had been convicted of serious criminal acts involving the business of selling motor vehicles and should therefore, not be licensed.

NEW BUSINESS FROM THE FLOOR

Leo Trenor and Bruce Gould spoke on the Top 100 curbstoners in Virginia. Bruce Gould indicated that this year there were over 80 individuals who have sold vehicles illegally. There were about 10 to 15 repeat offenders that will be forwarded to DMV. Also, after doing some extended research, it was determined that some of these individuals were purchasing these vehicles from retail auctions and dealers. Leo Trenor commented that he just wanted the members to be aware of this.

The next meeting was scheduled for November 12, 2002.

The meeting adjourned at 10:47 a.m.

Meeting Summary
Advertising Committee
Monday, September 9, 2002

Chairman Clyde King called the Advertising Committee meeting to order at 11:00 a.m. in Room 702, at DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were members Mike Martin, Karen Radley, Steve Farmer (Absent: Chris Schroeder, Max Pearson and Larry Matthews). Other Board members present: Ab Quillian, Ted Robertson, Bruce Farrell, Joel Lyles, Tom Barton, Karen Radley, Vince Sheehy, Pete Iaricci, Leo Trenor and Bobby Joe Dotson. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison, Katherine Idrissi and Vic Hernandez represented the Dealer Board. Tom Falat represented DMV. Rick Walton represented the Attorney General's Office.

PUBLIC COMMENT

There was no public comment.

The July 15, 2002 meeting summary was approved.

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

NEW BUSINESS FROM THE FLOOR

- **Owning Banks.** It was discussed that the proper term should be "we own the finance company" and not "we own the bank". Some dealers do, in fact, own their own finance company. There was some discussion concerning the type of SCC certificate required in order to show that one owned a "finance" company. It was the consensus of the committee that the individual should not be cited for using the language "own the bank" but to use the term "own the finance company".
- **Rebates.** Question was raised about rebates not available to all consumers, but to specific individuals, such as college students, loyal customers, military personnel, etc. Some manufactures offer these types of rebates. Consensus of the committee was as long as it is properly advertised and disclosed, then it is acceptable. It must be clear that not everyone is eligible for all rebates. Further, the total for all incentives must not include combinations of incentives that are possible.
- **"Off-List".** Mike Martin had a concern for dealers advertising "off-list" asking price rather than the original MSRP. Some are advertised as high as \$8,000 "off-list". He feels that the "off-list" should have a proper disclosure in the advertisement. It was suggested that a staff member go into the dealership and have them prove where the money is coming from, either the MSRP or asking price. No further action was taken at this time.

The next meeting will be November 12, 2002.

The meeting adjourned at 11:34 a.m.

Meeting Summary
Personnel Committee
Monday, September 9, 2002

NO MEETING WAS CONDUCTED

DUE TO NO AGENDA ITEMS.

Meeting Summary
Finance Committee
Monday, September 9, 2002

Chairman Joel Lyles called the Finance Committee meeting to order at 11:43 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were members Karen Radley, Clyde King, Tom Barton, Steve Farmer (Absent: Rick Hunt and Larry Matthews). Other Board members present: Ab Quillian, Ted Robertson, Vince Sheehy, Leo Trenor, Bruce Farrell, Mike Martin, Pete Iaricci, Bobby Joe Dotson. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison, Katherine Idrissi and Vic Hernandez represented the Dealer Board. Larry Harrison and Tom Falat represented DMV. Rick Walton represented the Attorney General's Office.

PUBLIC COMMENT

There was no public comment.

The July 15, 2002 meeting summary was approved.

OLD BUSINESS

- **Review of the Budget.** Larry Harrison reported on the Budget and Bi-Monthly Status Report on Agency Revenue Collections and Expenditures for Fiscal Year 2002 (As of July 2002).
- **Budget Cuts.** Bruce Gould, Larry Harrison and Ab Quillian discussed the recent directive from the Administration that all agencies must prepare plans to reduce spending by 7%, 11% or 15% on top of previous reductions. Mr. Gould prepared a list of actions that could reduce spending by the 7, 11, 15 percent figures. The committee reviewed the items and prioritized them by low, medium and high priority. High meaning important to keep. An update will be presented at the November Meeting.
- **Contract with VIPNet for On-line Transactions.** Rod Willett, General Manager for VIPNet spoke on the proposed revisions to the Interagency Agreement for MVDB interactive services. It was the consensus of the committee to wait and see how the budget cuts come out before making any decisions to spend any more money.

Old Business From The Floor

There was no old business from the floor.

NEW BUSINESS

New Business From The Floor

There was no new business from the floor.

The next meeting was scheduled for November 12, 2002.

The meeting adjourned at 1:41 p.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, September 9, 2002

Chairman Mike Martin called the Transaction Recovery Fund Committee meeting to order at 2:21 p.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were members Pete Iaricci, Leo Trenor, Bruce Farrell, Bobby Joe Dotson, Steve Farmer, Karen Radley (Absent: Larry Matthews). Other Board members present: Ted Robertson, Vince Sheehy, Joel Lyles, Tom Barton, Clyde King, Carlton Courter. Executive Director Bruce Gould, Peggy Bailey, Debbie Allison, Vic Hernandez and Katherine Idrissi represented the Dealer Board. Tom Falat represented DMV. Rick Walton represented the Attorney General's Office.

PUBLIC COMMENT:

There was no public comment.

The July 15, 2002 summary was approved.

OLD BUSINESS

- **Update: July Actions.** Mike Martin indicated that at the July meeting, claims were approved and checks were mailed on August 19, 2002 to Robert & Nina Meyer (\$20,000.00), James & Jane Lane (\$1,022.49), Jackie Boyer (\$628.89), Lori Okes (\$404.94), Garvin & Peggy Graham (\$539.94) and James Hash (\$743.98).

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

- **Review and Action: Informal Fact-Finding Conference Results:**

Cleveland A. Bassfield, Sr. and Capital Sport Car & R V Center. Cleveland A. Bassfield, Sr. purchased a 1997 Winnebago motor home on June 23, 2000 for \$62,999. Mr. Bassfield was allowed a trade-in for \$1,490.67 and made a \$5,000 down payment, leaving to finance \$58,500 through First Union National Bank. Mr. Bassfield took possession of the vehicle on August 14, 2000 and began making payments of \$670.12 on this same date. On October 25, 2001, Mr. Bassfield was served with a Notice of Motion for Judgment that was filed by Matthew Fisher, Executor of John Fisher, who was the previous owner. It appears that Capital Auto Brokers, Inc. misappropriated the funds and never paid the previous owner in order to obtain title to the motor home. An informal fact-finding conference was conducted on July 31, 2002 and based on the testimony and evidence surrounding the case, the hearing officer recommended that the Board approve and pay Mr. Bassfield's claim for \$18,477.89

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Leo Trenor to accept the hearing officer's recommendation. Steve Farmer seconded.

Amended motion was made by Leo Trenor to award \$20,000.00 as recommended by counsel. Steve Farmer seconded. The motion passed unanimously.

NEW BUSINESS FROM THE FLOOR

- **Joey Morgan Case.** Rick Walton indicated that the Court of Appeals made a decision on Joey Morgan vs the Motor Vehicle Dealer Board regarding attorney fees. Mr. Morgan won the case, requiring the Dealer Board to pay the judgment including the attorney fees. Options are: (1) To do nothing, (2) Legislative relief and (3) Appeal to the Supreme Court. Consensus of the committee was to do nothing. Board staff, along with the Attorney General's office will prepare some guidelines for paying Attorney Fees.

The next meeting was scheduled for November 12, 2002.

The meeting adjourned at 2:45 p.m.